



# Federal Housing Finance Agency

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## **FINAL SUSPENSION ORDER**

The Federal Housing Finance Agency, as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) authorizes FHFA to establish standards for the regulated entities regarding prudential management of risks. FHFA is authorized to issue orders requiring the regulated entities to take any action that will best carry out the purposes of that section. *See* 12 U.S.C. 4513b(b)(2)(B)(iii).
2. Section 1319G of the Safety and Soundness Act authorizes FHFA to issue any orders necessary to ensure that the purposes of the Safety and Soundness Act are accomplished. *See* 12 U.S.C. 4526(a).
3. Section 1313 of the Safety and Soundness Act authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of each regulated entity. *See* 12 U.S.C. 4513(a)(2).

Consistent with these authorities, FHFA has determined that any business relationship between Robert Kosch, Jr. and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on the following findings:

1. On October 28, 2015, the U.S. Department of Housing and Urban Development (HUD) issued a Final Notice of Determination in which Robert Kosch, Jr. was debarred from procurement and nonprocurement transactions, as either a principal or participant, with HUD and through the Executive Branch of the Federal government for ten (10) years beginning October 28, 2015.
2. As described in the Notice of Proposed Debarment issued by HUD on April 28, 2015, the conduct underlying the debarment listed above occurred in connection with a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Robert Kosch, Jr. indefinitely, beginning on February 8, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Robert Kosch, Jr.

The Final Order's requirement for regulated entities to cease any business relationship with Robert Kosch, Jr. does not apply to the existing or future purchase, sale, modification, foreclosure alternative transaction, or other foreclosure-related transaction of a residential mortgage loan owned by a regulated entity, if Robert Kosch, Jr. is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.

This Final Order is a final action of the Federal Housing Finance Agency.

  
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Alfred M. Pollard, Suspending Official

12-21-2018  
Date: